



TAMIL NADU GOVERNMENT GAZETTE

EXTRAORDINARY PUBLISHED BY AUTHORITY

No. 248]

CHENNAI, WEDNESDAY, JULY 31, 2024
Aadi 15, Kurothi, Thiruvalluvar Aandu-2055

Part III—Section 1(a)

**General Statutory Rules, Notifications, Orders, Regulations, etc.,
issued by Secretariat Departments.**

NOTIFICATIONS BY GOVERNMENT

NATURAL RESOURCES DEPARTMENT

AMENDMENTS TO THE TAMIL NADU MINOR MINERAL CONCESSION RULES, 1959.

[G.O. Ms. No.21, Natural Resources (MMC.1), 31st July 2024,
ஆடி 15, குரோதி, திருவள்ளூர் ஆண்டு-2055.]

No. SRO A-14(d)/2024.

In exercise of the powers conferred by sub-sections (1) and (1-A) of section 15 of the Mines and Minerals (Development and Regulations) Act, 1957 (Central Act 67 of 1957), the Governor of Tamil Nadu hereby makes the following amendments to the Tamil Nadu Minor Mineral Concession Rules, 1959, namely:-

AMENDMENTS.

In the said Rules, —

(1) in rule 2, after clause (4), the following clause shall be inserted, namely:-

“(4-A) “e-auction” means an auction conducted through an online electronic platform;”;

(2) in rule 3 in sub-rule (2), in clause (a), for the expression “the minor mineral covered under rules 8-A and 8-C of these rules”, the expression “granite” shall be substituted;

(3) for rule 8, the following rule shall be substituted, namely:-

“8. Grant of quarrying lease for minor minerals including Granite through e-auction.—

(1) It shall apply to all minor minerals in Government lands and Forest land which have been constituted as reserved forest under section 16 of the Tamil Nadu Forests Act, 1882 (Tamil Nadu Act V of 1882) and the reserved land at the disposal of the State Government in respect of which rules were made under section 26 of the said Tamil Nadu Forests Act 1882:

Provided that before initiating e-auction process in respect of Forest Land, prior approval of Central Government shall be obtained as stipulated in section 2 of Forest (Conservation) Act, 1980 (Central Act 69 of 1980).

(2) It shall not apply to,-

Ex-III-1(a)—(248)

- (a) ryotwari land;
- (b) mineral bearing areas reserved in favour of State or Central Public Sector Undertakings under these Rules;
- (c) quarrying of Granite by the State Government Company / Corporation under Rule 8-C;
- (d) ordinary sand;
- (e) Quarrying of rough stone/ earth/gravel etc., for road works, railway works and other works carried on behalf of the State or the Union Government.

(3) The quarry leases for quarrying minor minerals under this rule shall be granted through e-auction only, by the District Collector in respect of granite and the minor minerals listed in Appendix-IB and by the Assistant Director of Geology and Mining in respect of all other minor minerals.

(4) The Assistant Director of Geology and Mining shall initiate e-auction process for the grant of quarry lease for quarrying minor minerals.

(5) The Assistant Director of Geology and Mining shall, after obtaining land availability report from the Revenue Divisional Officer, identify areas, where there is evidence to show the existence of mineral content by means of mineral exploration or otherwise, for which quarry leases for minor minerals can be granted. The Assistant Director of Geology and Mining shall demarcate the area in the cadastral map as well as in the latest satellite imagery of the area and classify the area into Government land, or Forest land.

(6) The extent of area so demarcated shall include the area defined as 'mine' as defined in clause (j) of sub-section (1) of section 2 of the Mines Act, 1952 (Central Act 35 of 1952).

(7) The minimum area for grant of quarry lease under this rule shall not be less than one hectares for all minor minerals.

(8) The Assistant Director of Geology and Mining shall prepare a tender document for inviting tenders for the grant of quarry lease with the terms and conditions of the e-auction mentioning the non-refundable application fee as prescribed in sub-rule (10), before initiation of the e-auction process. The tender document shall contain,—

- (a) details of survey number(s) and extent of the area identified and demarcated, which shall be classified as Government land or forest land;
- (b) areas demarcated in the sketch(s) in the Field Measurement Book (FMB) duly attested by the Tahsildar and the Assistant Director of Geology and Mining;
- (c) mineral reserves estimated in the area in cubic meter or metric tonnes as assessed by the team of officials nominated by the Director of Geology and Mining;
- (d) amount of Bid Security;
- (e) land Availability Report obtained from the Revenue Divisional Officer concerned;
- (f) Clearances/No Objection Certificates already obtained from other Departments, if any;
- (g) Model affidavit for furnishing the details of mineral – wise areas in each district of the State in respect of which the applicant himself or jointly with any other person has —
 - (i) already held a quarrying lease or quarrying permission;
 - (ii) already applied for grant of lease, but not yet granted; and
 - (iii) applied for the grant of lease simultaneously.
- (h) Condition regarding submission of solvency certificate of immovable properties by successful bidder as required under sub-rule (16)(b)(ii)(l).
 - (i) specific conditions for the bidders that,—
 - (i) if anything found that the bidder has furnished false information or concealed any vital information in the affidavit, his bid shall be considered invalid;
 - (ii) if it is found out after the grant of lease that the lessee has furnished false information (or) concealed any vital information in the affidavit, the lease shall be terminated with immediate effect;
 - (iii) such other conditions as the District Collector or the Assistant Director of Geology and Mining, as the case may be, deem fit.

(9) (a) The District Collector shall publish a Notice Inviting Tender (NIT) in the District Gazette with the details of survey numbers, extent of the area classification of lands, period of lease for quarrying minor minerals, the details of e-auction portal, the last date for filing application for e-auction and the date of commencement of e-auction.

(b) The District Collector shall give further publicity to the Notice Inviting Tender,—

- (i) by advertisement in one issue of a Tamil and English daily newspaper having wide circulation in the District concerned and in the State;
- (ii) by displaying the notice in the District concerned on the notice boards at the office of the District Collector, the Revenue Divisional Officer, the Tahsildar, the Regional Joint Director/ Deputy Director/ Assistant Director of Geology and Mining of the district and local bodies concerned having jurisdiction over the area; and
- (iii) Every such advertisement and notice so published/ displayed shall, *inter-alia*, specify,—
 - (A) Survey number, extent of the area Village and Taluk of the area and name of the mineral to be brought for quarry lease;
 - (B) The details of the e-auction portal and the last date for filing application for e-auction.

(10) Any person interested to participate in the e-auction, shall pay through online a non-refundable application fee of Rs.10,000/- (Rupees ten thousand only) in respect of granite and minerals listed under Appendix I-B of these rules, and Rs.5,000/- (Rupees Five thousand only) in respect of rough stone, ordinary earth, gravel, ordinary clay, laterite, lime shell, pebbles, nodules, chalcedony, flint, etc.

(11) All the applicants, whoever intend to participate in the e-auction for quarry lease, shall comply with the following terms and conditions of eligibility:—

- (a) The applicant shall be an Indian National or a company as defined in clause (20) of section 2 of the Companies Act, 2013 (Central Act 18 of 2013) and domicile of Tamil Nadu having business and Corporate Office in Tamil Nadu.

Explanation. – For the purpose of this clause,

(i) a person shall be deemed to be an Indian National,

(A) in the case of a firm or other Association of persons, only if all the members of the firm or members of the association are citizens of India; and

(B) in the case of an individual, only if he is a citizen of India.

(ii) a person shall be deemed to be a domicile of Tamil Nadu,

(A) in the case of a firm or other Association of persons, only if all the members of the firm or members of the Association are residing or doing business with an established office or corporate office in Tamil Nadu for a minimum period of five years;

(B) in case of an individual, only if he has been residing or doing business with an established office in Tamil Nadu for a minimum period of five years.

(b) The applicant shall not have any dues, namely, mining dues, income tax dues, Goods and Service Tax dues, etc., to be paid to the Government.

(c) The applicant shall obtain a valid mining dues clearance certificate from the Assistant Director of Geology and Mining where the quarrying or mining lease area is situated, in the Form prescribed in Appendix VIII to these rules for having paid mining dues such as royalty, seigniorage fee, lease amount, dead rent, surface rent, area assessment, local cess and local cess surcharge and the penalty amount payable under the Act or these rules or under the lease deed or agreement already executed or entered into by the applicant.

(d) The applicant shall satisfy such other conditions as specified in the Tender Document.

(12) (a) Auction for the grant of quarry lease shall be conducted only through an online e-auction platform.

(b) The District Collector or the Assistant Director of Geology and Mining, as the case may be, shall utilize the online e-auction platform provided by the agencies empaneled by the State or developed by the Department of Geology and Mining, for the purpose, which meets the technical and security requirements stipulated from time to time.

(13) Every bidder shall, while applying for bidding, pay online, a bid security amount,—

- (a) equal to 1% of the value of the estimated resources or Rs.2,00,000/- (Rupees two lakh only) whichever is higher, in case of earth, gravel, ordinary clay, laterite, pebbles;
- (b) equal to 1% of the value of the estimated resources or Rs.10,00,000/- (Rupees ten lakh only) for fresh quarries and Rs.5,00,000/- (Rupees five lakh only) for other quarries, whichever is higher, in case of rough stone; and
- (c) equal to 1% of the value of the estimated resources or Rs.25,00,000/- (Rupees twenty five lakh only) whichever is higher, in case of all other minor minerals except the minerals specified in clauses (a) and (b) above.

(14) The technical bid shall comprise amongst others, the documentary evidence to confirm eligibility as per the provisions of sub-rule (11) of this rule, bid security and such other documents and payments as may be specified in the tender document.

(15) The following aspects shall be the bidding parameters for e-auctioning, namely: –

(a) For determination of the lease amount, the reserve price for quarry lease shall be minimum of 10% of the market value of the total mineable mineral reserves in the area proposed for e-auction.

(b) In respect of Rough Stone, Granite and minor minerals specified in Appendix – I – B, the reserve price, subject to (a) above, shall be determined by a Committee to be constituted by the Director of Geology and Mining.

(c) The bidders shall quote an amount in multiples of one lakh rupees, over and above the reserve price, as lease amount for the grant of quarry lease.

(16) (a) After publishing the notice-inviting tender, a minimum period of fifteen days shall be provided to submit the bid documents.

(b) The auction shall be an ascending forward online electronic auction and shall comprise of the following rounds, namely:-

(i) First Round of Auction: (A) The bidders shall submit,—

(I) a technical bid; and

(II) an initial price offer which shall be above the reserve price.

(B) The District Collector or the Assistant Director of Geology and Mining, as the case may be, shall constitute a Committee for evaluation of the technical bids and the initial price offer received from the bidders and the committee shall recommend the technically qualified bidders.

(C) Only those bidders eligible in accordance with the terms and conditions of eligibility specified in these rules and whose initial price offer is greater than the reserve price shall be considered as the technically qualified bidders eligible to participate in the second round of e-auction.

(D) Whenever the number of technically qualified bidders are more than ten, the first ten highest bidders shall be eligible for participating in the second round of e-auction, and if the number is less than ten, all the technically qualified bidders will be eligible for participating in the second round of auction.

(E) If the number of bidders qualified to participate in the second round is less than three, e-auction process shall be annulled.

(F) The highest initial price offer amongst the qualified bidders quoted over and above the reserve price shall be the floor price for the second round of e-auction.

(ii) Second Round of e-auction: (A) The qualified bidders may offer their final price greater than the floor price:

Provided that the final price offer may be revised till the conclusion of the e-auction as per the technical specifications of the e-auction platform.

(B) The qualified bidder who offers the highest final price shall be declared as the successful bidder immediately on conclusion of the e-auction.

(C) The e-auction process shall be annulled if none of the technically qualified bidders offer a final price or a price higher than the floor price on the online e-auction platform.

(D) On declaration of the name of the successful bidder by the District Collector or the Assistant Director of Geology and Mining, as the case may be, the successful bidder shall pay 10% of the bid amount as initial payment through Electronic Clearance Service (ECS), within 24 hours of such declaration. If the

24 hours' limit happens to be a bank holiday, the payment shall be made on the immediate next working day of the bank.

- (E) If the declared successful bidder fails to pay the 10% of bid amount within 24 hours, his bid shall be rejected and the bid security amount paid by him shall be forfeited to the Government within two days.
- (F) On such rejection, the District Collector or the Assistant Director of Geology and Mining, as the case may be, shall declare the next highest bidder as the successful bidder immediately and shall direct him to pay the 10% initial payment within 24 hours through Electronic Clearance Service (ECS). If the 24 hours' limit happens to be a bank holiday, the payment shall be made on the immediate next working day of the bank.
- (G) On conclusion of the e-auction process, the bid security amount paid by the persons other than the successful bidder shall be refunded to them on obtaining acknowledgement for receipt of the same or sent by registered post or by Electronic Clearance Service (ECS).
- (H) The remaining 90% of the bid amount, deducting the bid security amount already paid, shall be paid by the successful bidder through Electronic Clearance Service (ECS), within one month from the date of declaration from the District Collector or the Assistant Director, and if the bidder fails to do so, the 10% of the bid amount already paid by the successful bidder along with the bid security amount shall be forfeited to the Government within one week.
- (I) The successful bidder should submit a solvency certificate of immovable properties for a value not less than 20% of the bid amount within one month from the date of declaration from the District Collector or the Assistant Director.

(17) On receipt of payment of the balance 90% of the bid amount from the successful bidder,—

- (a) in the case of rough stone, ordinary earth, gravel, ordinary clay, laterite, lime shell, pebbles, nodules, chalcedony, flint, etc. the Assistant Director of Geology and Mining shall, communicate the precise area for grant of lease within fifteen days to the successful bidder, with a direction to submit mining plan within ninety days from the date of receipt of communication and to submit Environmental Clearance, for grant of quarry lease. All such communication of precise area shall be accompanied by the map showing the area attested by the Tahsildar and Assistant Director of Geology and Mining concerned.
- (b) in the case of Granite and other minor minerals listed under Appendix I-B of these rules, the District Collector shall forward the application of the successful bidder with recommendations along with connected documents and the details of payments made by the successful bidder, to the State Government through the Director of Geology and Mining within fifteen days.
- (c) on receipt of the recommendation as stated in (b) above from the District Collector, the Director of Geology and Mining shall examine and forward the same to the State Government with his remarks within fifteen days.
- (d) on receipt of such communication from the Director of Geology and Mining, the State Government shall examine the same and on approval, communicate the precise area to the successful bidder, with a direction to submit a mining plan within ninety days from the date of receipt of communication and to submit Environmental Clearance, for the grant of quarry lease. All such communication of precise area shall be accompanied by the plan/map showing the area demarcated and attested by the Tahsildar and the Assistant Director of Geology and Mining concerned.
- (e) if the successful bidder fails to submit the mining plan for approval within ninety days, and the Environment Clearance, as specified in sub-clauses (a) and (d), as the case may be from the date of communication of the precise area for the grant of lease, the precise area communication shall be deemed to be cancelled and the payments made so far shall be forfeited to the Government.

(18) On completion of the process specified in sub-rule (16), a quarry lease shall be granted to the successful bidder subject to the provisions of these rules,—

- (a) by the Assistant Director of Geology and Mining concerned, in the case of the minor minerals, namely, rough stone, ordinary earth, gravel, ordinary clay, laterite, lime shell, pebbles, nodules, chalcedony, flint:

Provided that the minimum period for grant of such quarry lease for ordinary earth, gravel, ordinary clay, laterite, lime shell, pebbles, nodules, chalcedony, flint, etc. shall not be less than one year and the maximum period shall not exceed three years:

Provided further that the period for grant of quarry lease for rough stone in respect of areas which have not been subjected to quarrying so far, shall be ten years. The period of lease for quarrying rough stone in respect of other areas shall be five years.

- (b) by the State Government, in the case of Granite and the minerals listed in Appendix I-B to these rules:

Provided that the period for the grant of quarry lease for granite under this rule shall not exceed thirty years and shall not be less than twenty years:

Provided further that the period of quarry lease for the minerals listed in Appendix I-B under this rule shall not exceed ten years and shall not be less than five years.

- (c) the lessee shall deposit ten percent of the bid amount as security deposit before execution of the lease deed;
- (d) the Quarry Lease Deed shall be executed in the Form in Appendix-I to these rules by the lessee with the Assistant Director of Geology and Mining in respect of all minor minerals except granite and the minor minerals specified in the Appendix-I-B, within a period of two months from the date of receipt of the order from the Assistant Director.
- (e) the quarry lease deed shall be executed in the Form in Appendix – I by the District Collector in respect of granite and the minor minerals specified in the Appendix-I-B, within a period of two months from the date of receipt of the order from the Government or within such further period as may be allowed by the Government, in this behalf.
- (f) the lease deed executed shall be registered under sub-section (1) of section 17 of the Indian Registration Act, 1908 (Central Act XVI of 1908).
- (g) the lease period shall commence from the date of registration of the lease deed and shall expire on the date specified in the lease deed and in no case, extension of the period of the lease shall be made:

Provided that in the event of discontinuance of quarrying operation for a continuous period of minimum three months in the leasehold area, for reasons beyond the control of the lessee, such as riots, pandemic, major natural disasters and law and order issues, the period of the lease already granted may be extended by the period of such discontinuance, by the Government in respect of granite and the minerals specified in Appendix – IB and by the Director of Geology and Mining in respect of all other minor minerals.

Provided further that all such extensions of the lease period shall be prospective and subject to the following:-

- (i) The lessee shall inform the authorities concerned, in writing, about such discontinuance and the reasons thereof, within one week from the ninetieth day of such discontinuance; and when quarrying operation is resumed, the same shall be informed within one week from the date of such resumption with a request to the authorities for the extension of lease period in compensation of the period of such discontinuation.
- (ii) On receipt of such request, the quarry shall be surveyed using drone or other similar advanced technologies, by the Assistant Director of Geology and Mining of the District concerned, to assess the quantum of mineral removed by the lessee.
- (iii) On recommendation of the District Collector for the extension of period of quarry lease to compensate the period of discontinuation, the Director of Geology and Mining or the Government, as the case may be, may consider the grant of such extension of lease period.
- (iv) In all cases where the lessee has removed the permitted quantity of minerals or not complied with the terms and conditions of the lease; or the reasons adduced by the lessee for discontinuance of quarrying operations are not found to be genuine, the period of the lease already granted shall not be extended for the period of discontinuance of quarry operations.
- (h) whenever the lessee fails to execute the lease deed within specified time, the State Government may cancel the order granting the lease to him and all amounts paid by him shall be forfeited to the State Government;
- (i) no lessee is entitled to raise any dispute with reference to the survey and demarcation of the area leased out to him after execution of the lease deed;
- (j) no lessee shall commence any quarrying operation in any area without executing and registering the lease deed;
- (k) if any new mineral is discovered in the quarry lease area granted under this rule, the holder of quarry lease shall report to the District Collector or the Assistant Director of Geology and Mining, as the case may be, as specified in rule 26 of these rules;

- (l) the lessee shall, besides the one-time payment of the bid amount, pay seigniorage fee or dead rent whichever is higher in respect of the actual quantity of the mineral removed or consumed at the rates prescribed from time to time in Appendix-II to these rules. Further, the lessee shall pay contribution to the District Mineral Foundation Trust Fund, Green Fund and such other levies at the rates as may be specified by the State Government from time to time;
- (m) the lessee shall remove and transport the mineral from the leasehold area after obtaining transport permit from the Assistant Director of Geology and Mining and after complying with the other conditions stipulated in these rules;
- (n) no lessee shall continue quarrying in the area after the expiry of the stipulated lease period;
- (o) the lessee shall maintain correct accounts showing the quantity and other particulars of minerals quarried and transported from the lease hold area. Any officer authorized by the State Government or the Director of Geology and Mining or the District Collector or the Assistant Director of Geology and Mining, in this behalf, can inspect his quarry and verify his records and accounts, and the lessee shall furnish such information and returns as may be required by the officer authorized;
- (p) the lessee shall carryout the quarrying operations in a skillful, scientific and systematic manner keeping in view the proper safety of the workers, conservation of minerals and preservation of the environment and ecology of the area.
- (q) any officer authorized by the State Government or the Director of Geology and Mining or the District Collector or Assistant Director of Geology and Mining concerned shall have the power to enter the leasehold area and inspect for the purpose mentioned in clause (o) above and for any other purpose which may be required for the compliance of the provisions of the Act and these rules or any other Act or Rules framed by the Central Government or the State Government.
- (r) Any violation of the above conditions shall attract enforcement action as provided in the Act and the Rules made thereunder.
- (s) No lease granted under this rule shall be renewed.

(19) (a) This rule shall not however, affect the leases already executed, leases granted but not executed, the cases in which precise area for the grant of quarry lease has been issued or under process by the authorities concerned and the cases in which declaration of successful bidder has been made by the authorities concerned after conducting tender-*cum*-auction, under the erstwhile rules 8, 8-A and sub-rule (4) of rule 43 of these rules.

- (b) In all such cases wherein precise areas for the grant of quarry leases have been issued or under process by the authorities concerned, sub-rules (17) and (18) of this rule shall be followed for the grant of quarry lease.
- (c) In all such cases wherein declaration of successful bidder has been made by the authorities concerned after conducting tender-*cum*-auction under the erstwhile rules 8, 8-A and sub-rule (4) of rule 43 of these rules, the procedures laid down under items (E) to (I) of sub-clause (ii) of clause (b) of sub-rule (16), sub rules (17) and (18) of this rule shall be followed for the grant of quarry lease.
- (d) In all such cases wherein the area brought for e-auction was previously held under quarry lease, the holder of such lease shall have a right to first refusal subject to the condition that he shall participate in the e-auction and agree to pay the highest bid amount (H1) offered in the e-auction.”;

(4) rule 8-A shall be omitted;

(5) in rule 41, in sub-rule (1), the expression “8-A” shall be omitted;

(6) in rule 43, sub-rule (4) shall be omitted;

(7) in Appendix I, —

(a) for the expression “See Rules 8 and 8-A” the expression “see rule 8” shall be substituted;

(b) in the preamble portion, for the second and third paragraphs, the following paragraphs shall be substituted, namely:-

“WHEREAS the lessee has been the successful bidder in the e-auction conducted by the Government of Tamil Nadu (hereinafter referred to as “the Government”)/ granted with renewal of mining / quarry lease by the Government for the grant of quarry lease in the district for the purpose of mining/quarrying for _____ and has deposited with collector of _____ the sum of Rs. _____ as bid security / security for the due and faithful performance by the lessee of the covenants and conditions on the part of the lessee hereinafter contained.

AND WHEREAS the lessor has agreed to grant a quarry lease to the lessee for mining _____ in the lands and premises hereinafter described.” ;

(8) in Appendix 1-B, for the expression “See Rule-43”, the expression “see rules 8 and 43” shall be substituted;

(9) Appendix VI–A, Appendix VI–B and Appendix VI-D shall be omitted;

(10) in Appendix XII, the expression “rules 8A” occurring in two places, the expression “rules 8” shall be substituted;

(11) in Appendix XIII, for the expression “rule 8-A”, the expression “rules 8” shall be substituted.

(12) Appendix-XIV shall be omitted.

K. PHANINDRA REDDY,
Additional Chief Secretary to Government (FAC).